WELL Marketing Second Quarter Report

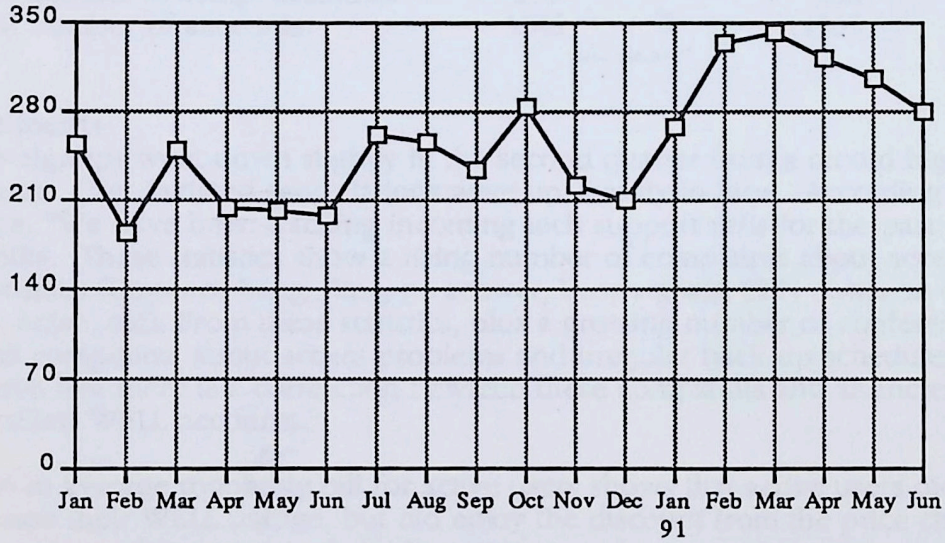
July 1991
John Coate

MULTI-YEAR
- VOLUME CHART
- USER/NEW USER CHART

1991 Second Quarter Growth Summary

Monthly Growth

New User Signups by months:



Quarterly Growth

Monthly growth:

	April	May	June
New Users Activated	323	306	281
User Initiated Cancel	163	121	180
WELL Initiated Cancel	42	43	8
Total Cancel	205	164	188
Net Growth	118	142	93
Info Requests	173	156	126

10 + 4.75 x 2 = 10 + 9.5 19.50
8 + 4.25 x 3 = 8 + 12.75
20.75

Quarterly totals:

	2nd Quarter Totals	1st Quarter Totals
New subscribers:	910	946
Cancellations:	557	546
Net growth:	353	400
Avg. new/month:	303	315.
Avg. # cancel/month:	186	182
Avg. net growth per month:	118	133
Average monthly bill (all):	$14.39	$13.53
Average monthly bill (active):	$18.95 –	$20.56 – gulf war
Total number of billed accounts:	4947	4417
Total number of comp. accounts:	299	288
Total number of accounts:	5246 + % on year	4705

Begin 91
4305

Comments:
New signups went down slightly in the second quarter from a record high first quarter. User initiated cancellations were up sharply in June. According to Nancy Rhine, "We have been tracking incoming tech support calls for the past 6 months. These statistics show a rising number of complaints about access difficulties (Connect, hang; Ring, no answer; Busy signals, CPN down on our end, Line noise, etc). From these statistics, plus a growing number of conference and email complaints about access problems and irregular back-up schedules, I believe that there is a correlation bewteen these complaints and an increase in cancelled WELL accounts."

Drop in average monthly bill for active users shows that active users did not increase their WELL usage, but did enjoy the discount from the price changes. Average monthly use stayed at 4 hours per month. ← MORE DETAIL.

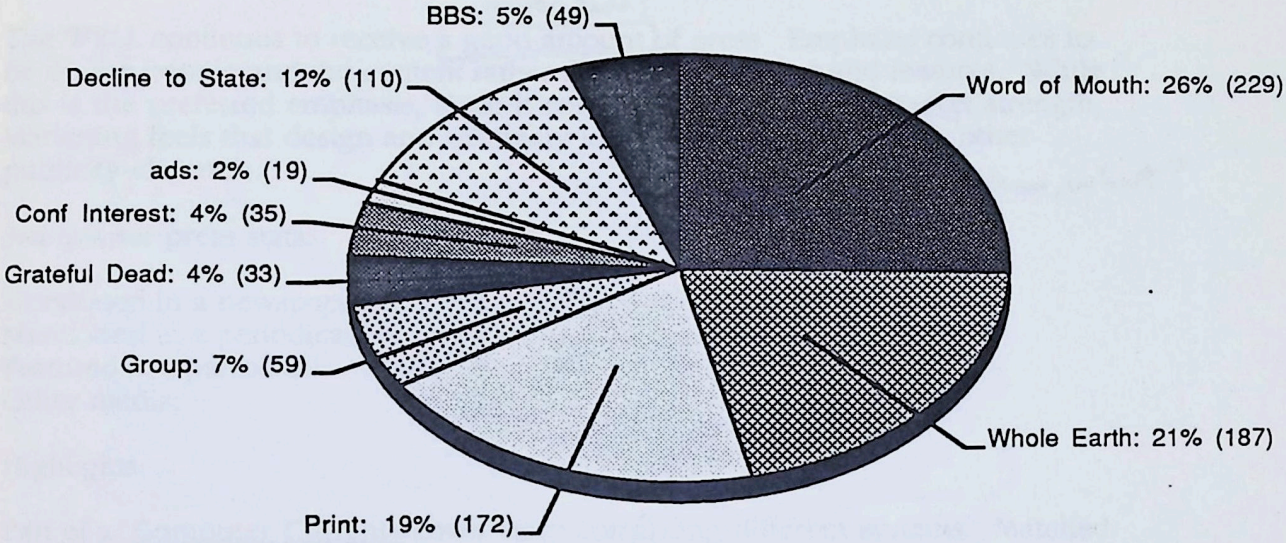
compared to what period? ← from when to when?

* This is a critical area for analysis.

Sources of New Subscribers

Source	Apr	May	June	2nd Q Total	1st Q Total
Word of Mouth	89	75	65	229	256
Whole Earth	50	65	72	187	160
Print – news? "Press coverage"	64	69	39	172	213
User Group Membership	24	18	17	59	26
Grateful Dead	11	15	7	33	30
Conf interest	8	14	13	35	41
Coupon (eliminated)					10
Ads (new category)	9	4	6	19	
Other BBS	13	18	18	49	37
Other (decline to state)	41	39	30	110	137
Totals	311	323	267	901	946

Sources by category, 2nd Quarter 1991:



Comments:
Figures for the end of June are not in this sampling, making the totals slightly low. The chart shows that the basic mix of subscriber sources is maintaining its customary balance, with Word of Mouth, Whole Earth and Press being the "Big Three".The Whole Earth category showed an increase due to issues #69 & 70, which had a lot of material either about, relating to, or written by someone on the WELL. The BBS category is rising, indicating that the WELL is receiving favorable mention on other systems.

For comparison, here are the cumulative percentages (1987-91):

		LAST QTR
Word of Mouth	24%	26
Whole Earth	19	21
Print	16	19
Group	8	7
Grateful Dead	5	4
Conf Interest	7	4
Coupons/ads	3	2
BBS	2	5
Decline to State	16	12

Second Quarter Press

more/less?

The WELL continues to receive a good amount of press. Emphasis continues to be on the people and the content rather than system design and features. While this is the preferred emphasis, since it corresponds to our true market strength, Marketing feels that design and reliability improvements would open other publicity channels.

how, what?

3rd quarter press stats:

Mentioned in a newspaper:	2	?
Mentioned in a periodical:	4	
Featured in a periodical:	6	
Other media:	1	

Highlights:

Part of a Computer Currents cover story comparing different systems. Matched against the Big Boys. "Just about all online services offer some type of conferencing, but the WELL turns it into an art form."

Featured in a Knife and Fork cover story. K&F is distributed with the menus in urban restaurants. One person joined from Manhattan saying, "I read about it at a table at Lindy's."

The Electronic Frontier story is featured in the New York Times Magazine, is the cover story (with Barlow, shotgun and Mac) of May 12 Chron/Ex This World and gets a chapter in the Harper's Forum Book, giving this theme true War Horse status.

Same status goes to Judith Moore's 1989 story about the WELL that makes the rounds of the alternative press. In May it resurfaced in the LA Reader.

Cliff Figallo was the cover photo on the June Boardwatch.

Newsweek mention?

The Blair Newman story was featured in the May PC Computing.

Featured in a story called "The Best Places to Live Online" in Online, a magazine for info searchers.

2nd Quarter Review and 3rd Quarter Plan

1 – what is overall strategy?

> Impact of Internet?

Frontend Programs

REVIEW:
The "GetWell" program was officially abandoned. Meanwhile, regarding "Sweeper", Jim Rutt appears uninterested at this point in any official arrangement

with the WELL. People still use Sweeper and the WELL encourages them to do so and even provides limited support.

STRATEGY:
Rethink the whole front end issue. It is now clear that it isn't worth bothering with something that doesn't acheive a truly high standard.

PORT PICO MAN DECISION.

ACTION:
Look into the MacWorkstation program and estimate the true cost of producing a *quality* front end program for the WELL.

Deliverable?
Relative priority?

BUDGET:
No cash this quarter.

Presentation

REVIEW:
Marketing wrote a 25 page draft called "Life on the WELL" that is designed to be condensed into an article for publication and expanded into a teaching-oriented publication, possibly a pamphlet. Howard Rheingold is editing the draft as of this writing.

STRATEGY:
Get a form of the story into print.

ACTION:
The story will be condensed and sumitted to a publication, possibly Computer Currents.

BUDGET:
No cash involved.

Online Writing Award

REVIEW:
The Judges have been chosen, the rules written up and the contest announced to the press, NewsBytes, and other online systems.

STRATEGY:
Maximize volume of entries, prepare for the judging phase.

ACTION:
A second announcement will be made in August. Submissions are due Sept. 30. Judging process will be planned.

BUDGET:
Press release: $13

So low?

Product Development & Promotion

REVIEW:
The actual improvements to the WELL in 1991 have come in the increase of phone lines and the introduction of utilities for the user to make certain functions work more smoothly. These include menu driven programs for downloading, changing your .cflist, setting up your Usenet account, making your files secure, and cleaning out old files from your directory. In addition, the lines now wordwrap when you respond to a topic. These are the things that can be used for promotional purposes. But they are mainly of interest to current WELL users. This makes them suitable as the leading news item in a newsletter.

Frontends and makeovers to Picospan that are the stuff of wider general promotion will have to wait. Why?

When the WELL stabilizes its modem/cable/phone line configuration so that it is ironclad in its reliability, then along with our proclamations about the strong human element to be found on the WELL, we can say that we run a tight ship and that you can always get in.

STRATEGY:
Turn the WELL's technical and design aspects into promotional assets.

ACTION:
Produce a newsletter to be included with the User Agreement, to be mailed in September.

Work with the Tech and Customer Service depts. to develop incremental improvements that make the WELL easier to use.

BUDGET:

No cash this quarter.

Optimum Growth Study

— Call it Capacity Constraint Study, e.g.

In the third quarter, marketing will study growth rate, projected growth rate, port and phone line use, and peak hour demands. These indicators will be analyzed to determine the proper balance between demand and supply and the optimum growth rate for the upcoming few years. For 1991, the WELL has shown an average net gain in users of 125 per month. At this rate, by year's end the WELL will have approx. 6000 users. The average port-hour use for 1991 has risen by 15%, bringing the 24 hour use total to 600 port hours. Eight new phone lines were added in May bringing the direct dial modem total to 39. Four 9600 baud modems were also added.

this s/b arrived at in a completely different way.

per day?

In addition, Marketing will strive to create a truly accurate formula for the Revenue Index so that it is a reliable estimator of future revenue. The working Index for

1991 is $145 ($14/month avg bill x 10.3 months avg. sub length). While the $14 figure is reliable, the true average length of stay is not yet a reliable number.

Relevant questions include:
At what point will the modem capacity be too low for peak demand hours?
At what point will the WELL need to upgrade to the unlimited Unix license?
At what point will the Sequent need to be upgraded to handle the heavier load demands?
When should the WELL invest in a quality front end program that will ease the demand for the ports?
When will the WELL have to abandon PicoSpan for a conferencing program that can handle a higher number of users?

Advertisements

REVIEW:
WELL ad ran in the Utne Reader in the May/June issue. Indicators show that the ad is paying for itself already. Six signups per issue are needed to carry to cost of the ad. The WELL is contracted to run this ad through the year.

WELL ad ran in the Bay Area Medial Alliance Mediafile. This is on a one year contract. Response is poor for this ad. No plans to continue it after this year. — Frequency?

STRATEGY:
Maintain advertisements in those two publications. Place a 1/4 page ad in Factsheet Five for August.

ACTION:
Design an ad for Factsheet Five. Space is being given as barter.

BUDGET:
Utne: $930.75
Mediafile: $81

Marketing Communications

REVIEW:
The WELL brochure was reprinted with a run of 3000. The coupon was eliminated. The front carries a silver sticker advertising 5 free hours. This batch should last until Spring 1992.

Press releases were mailed about the expansion of the free calling zone and the Writing Award.

STRATEGY:
Inform WELL users of system improvements and other news.

ACTION:
Bundle an "Offline" newsletter in with the User Agreement when it is mailed.

UDGET:

Newsletter — $525

Innkeeping

A highlight of the 2nd quarter was the group trip to the Tibetan art exhibit at the DeYoung Museum. Co-planned by John Coate, the pre-paid visit attracted 41 people. $10 was collected in advance from each person. The museum opened its doors to the group one hour early and provided a docent.

Three WELL parties were held at the WELL office. In July the WELL Berkeley picnic will take place and in August, another special event, the WELL Chili Cook-Off will happen at the Presidio Yacht Club.

Meanwhile, the debate continues about ownership of words, copyright, and related issues. Several new conferences were created including the Eros Conference, which at times pushes the bounds of what some may deem as acceptable to minors. WELL Management decided to allow the conference without specific "adults only" provisions because the amount of effort required to get to the conference at all (get equipment, set-up, subscribe, log in, go to the conference) shows that it is could not be reasonably construed as a form of solicitation to minors.

he issue of comp time as discussed in the First Quarter Marketing Report will be studied as part of the Optimum Growth Study.

Budget Totals

2nd quarter actuals:

Brochure (incl. group insert) — $661.98
Utne ad — $938.70
Mediafile ad — $81.00
Press release — $24.85
TOTAL — $1706.53

Third Quarter Plan:

Brochure (printer bill) — $1050
Utne ad — $930.75
Mediafile ad — $81
Factsheet Five ad (stat & post) — $8.95
Newsletter — $525
Press Release — $13
TOTAL — $2608.70

At what point in the WER renewal do we call not-yet-renewing subs? What's the B/E ~~cost~~ point.

Cost of new sub
Cost of renewal.

9:30 SAT SEP 7.

WELL Bd Mtg.
re: Technical problem